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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION VIII  
999 18th STREET - SUITE 500  
DENVER, COLORADO 80202-2466

EL-2

April 14, 1997

Ref: 8EPR-EP

J. Thomas Millard, District Ranger  
Don Murray, Team Leader  
Spearfish-Nemo Ranger District  
Black Hills National Forest  
P.O. Box 407  
Deadwood, SD 57732

Re: DEIS Review - Gilt Edge Mine  
Anchor Hill Expansion

Dear Messrs. Millard and Murray:

In accordance with our responsibilities under the National Environmental Policy Act (NEPA) and Section 309 of the Clean Air Act, the Region VIII Office of the Environmental Protection Agency (EPA) has reviewed the Draft Environmental Impact Statement (DEIS) for the Anchor Hill Project, Gilt Edge Mine, dated February 1997. We offer the following concerns and comments for your consideration as you complete the Final Environmental Impact Statement (FEIS). EPA's most significant issues are listed below. The specifics of our concerns are in the attached detailed comments.

1. The DEIS did not completely discuss bonding, post closure operations and maintenance funding, and responsibilities. Typically, these are the most important elements of reducing and controlling pollution from mines. The money and responsibility issues are particularly important at the Gilt Edge, because perpetual treatment will be necessary for seepage from the Ruby Gulch waste rock/spent ore dump.
2. Previously, Gilt Edge Mine operations have developed significant acid mine drainage (AMD) problems. The FEIS should include enough information to explain why the history of acid generation at the Gilt Edge mine will *not* be repeated at the Anchor Hill expansion. The types of information that should be included are a more complete description of recent mine operations (1990s), the conditions that caused AMD at the Gilt Edge and the pollution problems that resulted. The FEIS should also compare two operations to explain the differences (or similarities) in geology, acid generating and pollution potential.
3. One of the reasons EPA asked to be a cooperating agency on this project (in our scoping letter of May 95) was our concern about acid generation from the material to be mined from Anchor Hill. On other projects, we have worked with the lead federal and state

mining agencies to develop a more complete analysis of AMD potential. Unfortunately, EPA did not hear from the Forest Service after scoping; and the DEIS does not contain sufficient information to predict the potential environmental impact from AMD. It appears the needed information will take considerable time to generate and may also require some additional data collection. Because of the strong need to begin capping the Ruby Gulch waste rock dump this summer and the relatively small size of the expansion, we do not want to delay the project. If construction will be delayed for other reasons, the FEIS should be supplemented with the AMD testing data and more tests of the Anchor Hill waste rock and spent ore.

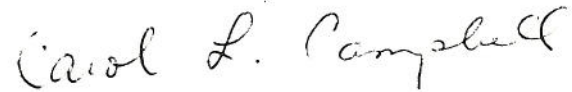
4. The FEIS should also include more information on disposal of mine waste, reclamation and AMD pollution affecting surface water and ground water.

Based on the procedures EPA uses to evaluate the potential effects of proposed actions and the adequacy of the information in the document, the Gilt Edge Mine - Anchor Hill Expansion DEIS would normally be rated as *inadequate*. However in this case, the expansion is small in comparison to the existing mine and it appears that environmental impacts will be lessened overall by the reclamation associated with the project. We will therefore, list the Anchor Hill Phase II Expansion as an EC-2 in the *Federal Register*. We hope this will avoid any delays than might have caused by negotiations between EPA and the Forest Service regarding the inadequate DEIS rating. We will follow-up on document adequacy through inter-agency meetings such as the Carson City meeting next month.

We have enclosed our detailed comments from our review. Comments which are EPA's highest priority have been marked. We have also noted issues that will take considerable time to address. In this case, EPA does not except these long term and lower priority issues to be addressed in the FEIS unless the project is delayed. Instead, we hope the Forest Service will focus efforts on ensuring long term operations and maintenance of treatment and AMD controls. We appreciate your interest in our comments.

As the FEIS is prepared, our technical staff would like to work closely with the Forest Service and the State to address bonding and post closure issues. Please contact Dana Allen (303) 312-6870 to discuss the comments in more detail and to make arrangements to work on closure issues.

Sincerely,

A handwritten signature in cursive script that reads "Carol L. Campbell".

Carol L. Campbell, Director  
Ecosystems Protection Program  
Office of Ecosystems Protection  
and Remediation

Enclosure

cc: Tom Durkin, SD DENR  
Elaine Suriano, EPA HQ